



PRESENT THE AMERICAN CLEANING INSTITUTE'S

ACI CONVENTION NEWS

A supplement to Chemical Week

Tuesday, January 25, 2011

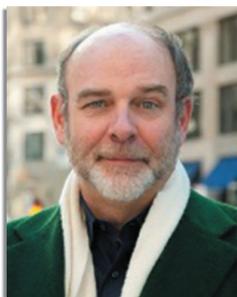
2011 ACI CONVENTION OFFERS INSIGHTS ON "CONSUMERS OF TOMORROW," BUSINESS CHALLENGES OF TODAY

Cleaning product industry executives will gain insights on global consumer trends, the ability to protect intellectual property, and evolving challenges in chemical regulation at this week's 2011 ACI Annual Meeting & Industry Convention.

The American Cleaning Institute's (formerly Soap and Detergent Association) yearly gathering of executives from the global cleaning products industry takes place January 25-29, 2011 at the Grande Lakes Orlando in Orlando, Florida.

The theme of this year's event is "Working Together for the Consumers of Tomorrow." Briefings and speaker presentations will address how the industry is working across the supply chain to better serve its customer base today and in the future.

AMONG THE PROGRAM HIGHLIGHTS: "Shopping anthropologist" Paco Underhill will discuss retail trends.



He is the founding president of Envirosell, a New York-based behavioral research and consultancy firm focused on commercial environments. His latest book is *What Women Want*, which "focuses on how the changing status of women affects the physical world

we live in." (Thursday, January 27, 8 AM, Palazzo Ballroom Salon D, Lobby Level)

Jack DiMaggio of Colgate-Palmolive will give a presentation on the "Consumers of Tomorrow."



His presentation will highlight through music, pictures and video clips just how different companies' interactions with consumers may be in tomorrow's world. (Wednesday, January 26, 9:30 AM, Palazzo Ballroom Salon D, Lobby Level)

Panel Presentation on Trade Secrets: During this timely session, the industry's leading legal experts will provide an overview of trade secret law and practical considerations for companies in protecting their confidential business information. The panelists will also provide an overview of pending legislation and regulations that could impact the ability of companies to protect trade secrets. (Wednesday, January 26, 2:15 PM, Palazzo Ballroom Salon D, Lobby Level)

Clearing the Hurdles—Making Sense Out of the PMN: For three decades, the Premanufacture Notice Process (PMN) has been used and imple-

mented under TSCA. It affects speed-to-market and innovation for the cleaning product supply chain. This presentation will explore how the process currently works and will feature an interactive discussion on challenges that can arise as companies navigate the process. The guest speaker is Blake Biles, Partner, Arnold & Porter LLP. (Tuesday, January 25, 10:15 AM, Palazzo Ballroom Salon F, Lobby Level)

SME Exchange—Challenges and Opportunities for Small- & Medium-Sized Enterprises

The tough economic environment poses real challenges for formulators and suppliers along the cleaning product supply chain—especially small- and medium-sized businesses. ACI invites executives to our first-ever SME Exchange, where companies can share insights and ideas on surviving and thriving in today's marketplace. (Thursday, January 27, 2 PM, Palazzo Ballroom Salon G, Lobby Level)

Issues Briefing & Global Industry Update: Experts from ACI member companies and industry associations worldwide will highlight the priority issues facing the cleaning product supply chain in the U.S. and around the globe. (Issues Briefing, Wednesday, January 26, Palazzo Ballroom Salon D. Global Industry Update, Wednesday, 10:45 AM, Palazzo Ballroom Salon D)

INDUSTRY OUTREACH

ACI CONVENTION AGAIN SUPPORTS "CLEANING FOR A REASON"

ACI is once again proud to support the Cleaning for a Reason Foundation (www.cleaningforareason.org), an organization that provides free residential cleaning services to women undergoing treatment for cancer.

At the 2010 ACI Convention, we launched the Cleaning for a Reason Charity Golf Tournament

In 2011, once again help us help others by enjoying a round of golf on the 18-hole, par-72 Greg Norman Signature Gold Course at Grande Lakes on Friday, January 28 at 1:00 p.m. The cost is \$200 per person.

Pairings will be made on site at registration. If you do not wish to participate, you will be able to make a donation at the time of registration if registering as an individual.

Donations via check will also be accepted on site.



Enjoy Guided Eco-Tours and Help "Cleaning for a Reason"

Looking to unwind and relax after a busy week of meetings? Want to participate in an activity that supports a terrific charity? Then the Canoe/Kayak for a Reason Charity Event is the perfect activity for you. Enjoy a two-hour guided Eco-Tour on the Headwaters to the Florida Everglades.

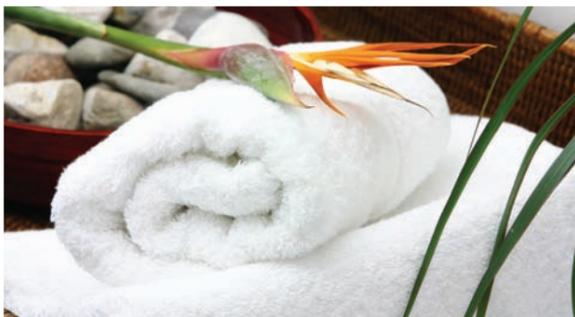
Water guides will tell the story of Shingle Creek and all its inhabitants as you navigate your own canoe or kayak, while paddling through scenic Old Florida. Your journey includes use of all watercraft, equipment, and safety gear for your travels.

Two tours will be offered on Friday: one in the morning and one in the afternoon.

Check the ACI registration desk for more information.

Commitment to Sustainability

The business line Household Care of Evonik Industries is a global leader in its markets, built on a commitment to innovation, customer satisfaction and long term sustainability.



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ACI 2010-2011: DELIVERING VALUE AND RESULTS

INDUSTRY UPDATE WITH ERNIE ROSENBERG, ACI PRESIDENT AND CEO

What were ACI's key accomplishments in 2010

One accomplishment is the growth in new members. With current applications, ACI will be up 23% in membership relative to the beginning of 2010. We have attendees from some 20 different countries coming to our 2011 Annual Meeting and Industry Convention, and this international focus is something we've been trying to emphasize. We also changed our name to the American Cleaning Institute (ACI) in 2010 to better reflect the market we represent, while maintaining our high level of activity in a number of global issues that could have substantial impacts on our U.S. and North American markets. The name change also better represents our strong emphasis on science. We've always believed 'science first, then politics.'

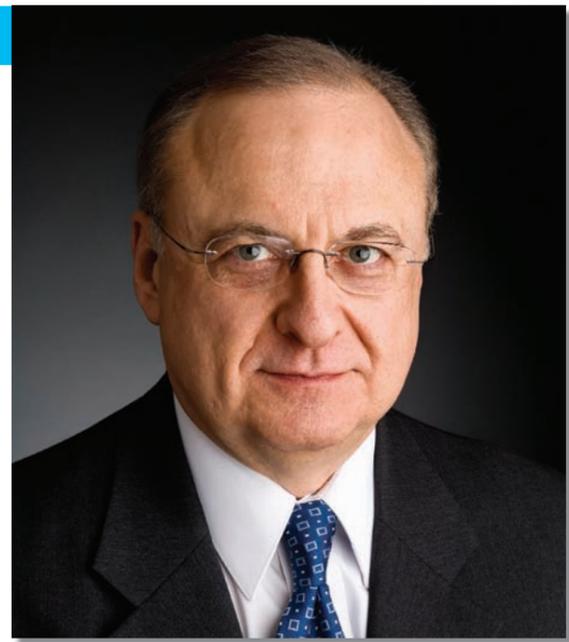
We've also been moving forward with our first ever sustainability report. Coming out of a new strategic plan developed by our Board of Directors in 2009, ACI is taking a leadership position on defining sustainability for our industry was made a high priority. We're still in extensive dialogues within our industry and with stakeholders on what defines "sustainability" for our industry. Most of the metrics right now are production related, and for an industry focused on the product—rather than the members' facilities—coming up with an appropriate set of sustainability metrics is a complex task. Some companies are working to develop more concentrated detergents, others are trying to improve the performance of detergents in cold water, reduce packaging, or changing feedstocks. We want to create a set of criteria that will set the stage for innovation of more sustainable products. We're also working on the FTC Green Guides to improve members' ability to communicate with consumers about the environmen-

tal attributes of their products. We're very supportive of efforts to require substantiation for green claims, as we're seeing some evidence of green fatigue among consumers and manufacturers. We're working to make sure that the criteria are clear enough for our members to rely on with confidence. We're also seeing that a very high percentage of the cleaning product market—99% of the eligible ACI member products—is complying with the industry's voluntary Consumer Product Ingredient Communication Initiative. All of the major companies have committed to participate and are providing ingredient information by website, on the product label, through a toll-free number or through other non-electronic means. EPA's proposed enhancements to its Design for the Environment program are largely consistent with ACI's approach to ingredient communication, and we are working to make the two programs completely compatible.

ACI is also continuing to push for TSCA modernization, while recognizing that it's an uphill battle with all the other priorities Congress has. We've been having meetings with stakeholders in government, NGOs, and other industry groups. We don't want to give the impression that our support of TSCA modernization last year was a deathbed conversion. I used to work in the toxics program at EPA, and I personally saw that there are genuine areas for improvement in TSCA. We need a federal program that gives the public confidence in chemical management and that these chemicals are subject to a robust regulatory regime. Our priority is to plug the holes in TSCA, but not in a way that stifles innovation, or puts a lot of process or unnecessary expenditure between the development of better products and getting them to the market.

ACI has also been working on state-level programs. We're encouraged by the positive changes we saw in California's latest proposal for its green chemistry initiative. We weren't thrilled with all of it, but there was very significant improvement. The most troublesome issues were prioritization and how the chemicals being looked at would be classified. Are they going to be characterized as "problem chemicals?" And would the program do its prioritization on a risk basis or put together a list of chemicals based on an arbitrary set of hazard criteria or spurious results from unvalidated tests? If we're not serious about the safety of the product, we're just looking for a world of hurt. So there's a high standard of product stewardship among our members. We're working with California to develop a program that acknowledges this and does not put undue burdens on safe products.

ACI has also been continuing its efforts to get biodiesel tax credits repealed to ensure continued tallow availability to the industry. Congress recently extended the credit until the end of this year, and just a one year extension will not have very dramatic effect. No one is going to start building biodiesel plants until they know the credit will be extended for the longer term. But we're still really worried about it; the biodiesel market could be a sink for virtually all of the tallow supply. It doesn't seem like good public policy to force the cleaning product industry, already using a renewable resource, to find non-renewable feedstocks when the environmental benefits of biodiesel made from tallow are questionable. Between the budget impacts of the credits and the fact that the NGO community is questioning the benefits of biofuels, we thought that Congress would move away from the credits. However, the budget is going to be a huge issue in the current Congress, and to extend the credits indefinitely, they've got to figure out how to pay for them. We'll see what happens. Though it's an uphill battle, we have the merits on our side.



ACI President and CEO Ernie Rosenberg

Why did you choose the theme "Working Together for the Consumers of Tomorrow?"

People don't often think of this industry as being one of high innovation, when in fact it is. We chose this theme to reflect our increased efforts to find out what consumers are really interested in and concerned about. ACI has always been very successful in our media and public outreach efforts. We're now building upon that successful foundation and communicating in the newer media forums where business, industry stakeholders, and consumers are receiving news and information today. In other words, we've always been very active in outreach up and down the supply chain; now we are spending more time communicating directly with the public digitally: Facebook, Twitter, LinkedIn, blogs.

Our new brand has been well received along with our newly designed website (www.cleaninginstitute.org). We have more than 200 pages of information about the safety of our products and their benefits. We are currently doing some consumer research that has uncovered some very interesting perceptions about our industry. Collectively, our industry is working to meet new and emerging consumer needs. The emphasis on the future recasts, in a way, how we communicate about social and environmental sustainability. We've talked about "socially sustainable" issues since our founding—for instance, providing written educational material for teachers on the importance of handwashing that could be shared with their students. Today, it's sharing that information through viral videos, online channels, and our interactive website.

What is the outlook for the industry in 2011?

We're starting to see more optimism in the supply chain. Our members are hopeful about the economy, and believe that policymakers are developing a better understanding that they can't regulate themselves into a strong economy, but that regulation could hinder recovery. I think the changes in Congress and state legislatures reflect an understanding of the need to rely on the free market to innovate and develop greener and more effective products, as well as products that are competitive in the world market. Sometimes regulation can be counterproductive. Some of the bills introduced last year, had they passed, would have been just deadly to innovation, particularly in their provisions that would have prevented companies from protecting trade secrets. Why spend money on innovation if you're just going to give it away to the competition? Bills that would have required prior approval for a new product or new use for a chemical would also have been damaging. It's really hard for bureaucrats to say yes, and with cost increases and delays, that would create a huge disincentive to innovate. We're hoping to see trends in both public policy and the economy that lead to growth.

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INDUSTRY NEWS

DUPONT TO ACQUIRE DANISCO FOR \$6.3 BILLION

DuPont has agreed to acquire Danisco (Copenhagen), a maker of enzymes and specialty food ingredients, for \$6.3 billion.

Danisco's Genencor unit is the second-largest maker of industrial enzymes after Novozymes. The addition of enzymes boosts DuPont's efforts to build a leading position in industrial biotech-



Kullman: Deal boosts presence in biotech.

nology, including renewable fuels and materials. Genencor's current efforts in renewables include development of bio-based isoprene with Goodyear Tire & Rubber Co. and a joint venture with DuPont in second-generation bioethanol. Danisco said last month it expects to post revenue of around DK15.3 billion (\$2.65 billion) for the fiscal year ending March 30, 2011, with EBIT of DK2.2 billion-DK2.3 billion for an EBIT margin of around 14.5%.

DuPont agreed to pay DK665/share, a 24% premium to Danisco's closing price on Friday.

"Biotechnology and specialty food ingredients have the potential to change the landscape of industries, such as substituting renewable materials for fossil fuel processes and addressing food needs in developing economies, that will generate more sustainable solutions and create growth for the company," says DuPont chair and CEO Ellen Kullman.

DuPont will fund the deal with \$3 billion in cash and the remainder in debt. The deal will reduce 2011 earnings 30 cts-45 cts/share below the forecast range of \$3.30-\$3.60/share announced last month, DuPont says. The transaction is expected to close early in the second quarter and be cash and will add to earnings in 2012, DuPont says.

"Danisco has two well-positioned global businesses that strongly complement our current biotechnology capabilities, R&D pipeline, and specialty food ingredients, a combination that offers attractive long-term financial returns," Kullman says. "This also would create opportunities across other parts of the DuPont portfolio, including traditional materials science offerings."

Genencor accounts for a third of Danisco's revenues. The remaining two-thirds is food ingredients, including gums, cultures and sweeteners. DuPont says the transaction is subject to customary closing conditions, including regulatory approvals and the tender of more than 90% of Danisco shares.

RHODIA BUYS GUAR DERIVATIVES PLANT IN CHINA

Rhodia has announced the acquisition of a newly built guar derivatives production unit from Suzhou HiPro Polymers (Zhangjiagang, China) for an undisclosed amount. The deal is expected to close in the first quarter of 2011. The plant will complement Rhodia's existing guar derivatives production in France, India, and the U.S. Demand for guar-based products, particularly in the personal care market, is growing rapidly in Asia, Rhodia says. It is Rhodia's second acquisition at Zhangjiagang in a short space of time. Rhodia closed the purchase of surfactants producer Feixiang Chemicals (Zhangjiagang) in late 2010. Rhodia, meanwhile, says it intends to expand capacity and improve competitiveness of its U.S. guar derivatives plant, located at Vernon, TX. Capacities were not disclosed.

"This targeted acquisition and the enhancement of our industrial assets will reinforce our worldwide

leadership position in guar technology as a supplier of natural guar-based materials used primarily in personal care, agchems, and oilfield applications," says Emmanuel Butstraen, president of Rhodia's Novocare business unit, which includes the company's guar derivative activities. Rhodia's guar-based range, mainly sold under the Jaguar brand name, is derived from the vegetable and renewable fibers of guar beans. The products are used in the personal care market to provide hair and skin conditioning benefits in shampoo and cleansing products, and as antidrift agents in Rhodia's patented agchem applications and as a thickener in oil and gas extraction.

ELEVANCE AND STEPAN SIGN DEVELOPMENT DEAL

Elevance Renewable Sciences (Bolingbrook, IL) says it has entered into an agreement with Stepan to jointly evaluate and commercialize surfactants, antimicrobials, and polyurethane polyols made from Elevance's biobased esters. "Stepan's breadth of expertise in derivative chemistries including sulfonation,



Johnson: Evaluating surfactants, antimicrobials, and polyols.

esterification and quaternization, provides an excellent complement to our unique specialty chemical building blocks," says Elevance CEO K'Lynne Johnson. "Our agreement with Stepan is a great fit that provides us with a leading partner for our strategic business segments in surfactants, polyols and antimicrobials." Elevance says its metathesis technology platform can produce 9-decenoic ester and C18 di-basic ester economically and at purity levels sufficient for applications in specialty nylons, powder coatings, and polymers. The esters could previously only be produced in development quantities and at low-purity via petrochemical routes and fermentation. Elevance and Wilmar International (Singapore) are set to build the world's largest biorefinery at Surayaba, Indonesia. The 180,000-m.t./year manufacturing facility is expected to come online in 2012, Elevance says.

SABIC TO BUILD THE MIDEAST'S FIRST OLEOCHEMICALS PLANT

Sabic signed a technology licensing and engineering deal in August with Lurgi for an oleochemicals complex at the Jubail, Saudi Arabia production site of Saudi Kayan Petrochemical, a Sabic affiliate. Start-up of the plant is scheduled for the end of 2013. It will be the first oleochemicals plant to be built in the Mideast. The complex will include an upstream natural acid unit, a wax-ester unit, a hydrogenation unit, and a downstream natural alcohol fractionation and distillation line, as well as a complete glycerine line. The complex will have capacity to produce 83,000 m.t./year of distilled natural alcohols of various compositions for use in the household and laundry products, plasticizers, lubricant additives, plastics, cosmetics, and personal care industries. The oleochemicals plant will use renewable raw materials. "The feedstock used for this process is based on natural raw materials from renewable oils such as palm kernel oil and coconut oil," says Sabic executive v.p./technology and innovation, Abdulrahman Al Ubaid. Sabic did not say where it plans to source the raw materials.

HUNTSMAN TO ACQUIRE CHEMICALS BUSINESS OF INDIAN FIRM

Huntsman entered into a definitive agreement in August to acquire the chemicals business of Laffans Petrochemicals (Mumbai). The chemicals business

of Laffans, which is located at Ankleshwar, India, manufactures amines and surfactants and has annual sales of about \$45 million. The business employs 130 people. The acquisition is subject to certain conditions and is expected to be completed in the first half of 2011. Financial terms of the deal were not disclosed. The acquired business will be integrated into the performance products division of Huntsman. This acquisition follows a manufacturing alliance between the two companies that was signed last year.

RHODIA TO BOOST SURFACTANT PRODUCTION

Rhodia says it will increase production capacity for specialty surfactants at its University Park, IL facility to meet growing demand from North American customers. At the same time, Rhodia will consolidate surfactants production in the U.K. by moving assets from its Leeds plant to its Halifax facility. Those moves will boost the competitiveness of its sites and ensure long-term supply, Rhodia says. The Halifax and University Park sites belonged to the former McIntyre Group, which Rhodia acquired last year. "Eighteen months after the acquisition of McIntyre, we have successfully integrated the business and are delivering the expected synergies," says Emmanuel Butstraen, president of Rhodia Novocare.

INNOSPEC ADDS SURFACTANTS

Innospec says it has commissioned a facility at Spencer, NC to produce its Iselux surfactants. The new plant doubles its manufacturing capacity for the sulfate- and 1,4-dioxane-free cleansers.

BASF COMPLETES COGNIS ACQUISITION



Performance Products: BASF finalizes €3.1 billion deal.

BASF says it has completed its acquisition of Cognis €3.1 billion (\$3.8 billion). Detailed integration plans will be developed by the end of the first quarter of 2011, and completion of the structural integration is targeted for the end of 2011, BASF says.

"Cognis will make an important contribution to the growth strategy of our performance products segment," says John Feldmann, member of the board of executive directors of BASF and responsible for the performance products segment. "We aim to grow two percentage points above the relevant markets and achieve an Ebitda margin of minimum 20% as of 2013. The businesses acquired from Cognis will help us to achieve these goals," Feldmann says.

The deal was first announced in June. In May, Cognis announced it had opened up an alkyl polyglucoside (APG) surfactants plant at Jinshan, China. "The Asia-Pacific region is regarded as a market with a significant growth potential that fits perfectly with Cognis' focus on high-growth, high-demand areas driven by the wellness and sustainability trends," the company says. Cognis also produces APG surfactants at Cincinnati and Düsseldorf, Germany.



In touch. Impassioned.

The global megatrend toward a lifestyle of wellness and sustainability is overwhelming. So is our drive to create sustainable and innovative personal and home care solutions. For you, non-stop, everywhere.

**Cognis -
is now part of BASF**

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we know how

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SUPPLIER UPDATES

EVONIK GOLDSCHMIDT'S NEXT-GENERATION TEGO BETAIN SURFACTANT DELIVERS SUPERIOR MILDNESS, SUSTAINABILITY

Today's customers in the household, industrial and institutional market require ingredients that provide not only superior performance but also real business savings and sustainability. With that in mind, the Household Care Business Line of Evonik Goldschmidt has introduced TEGO Betain C-60, a highly concentrated, highly active cocoamido propyl betaine (CAPB) surfactant that readily fits into its HI&I customers' product performance and sustainability plans as well as their compaction efforts.

Vegetable-based CAPB is recognized as the main secondary surfactant chosen by more and more formulators around the world for its mildness and foaming ability. TEGO Betain C-60 is a patented, biodegradable technology that delivers not only Evonik's industry-recognized superior betaine quality, color and odor, but also more mildness and flash foam than standard active betaines, which is desirable for hand dishwashing and other skin-compatible liquid cleaning products. In addition, TEGO Betain C-60 is easy to

formulate and stable in a very wide pH range necessary for high performance foaming I&I, household, car washing, and multi-surface cleaning and care products.

"TEGO Betain C-60 is 47% active, which significantly reduces the amount of water shipped as part of the secondary surfactant system," notes Sahar Fakhry-Smith, Marketing & Sales Manager Household Care. Moreover, because it is highly active, TEGO Betain C-60 also reduces other commercial aspects affecting the customer's bottom line, including the number of analytical tests required to be conducted, the number of orders processed, and warehousing space.

The milder nature of TEGO Betain C-60 is built-in during its unique processing procedure. Independent third-party testing has verified that using TEGO Betain C-60 in combination with sodium lauryl ether sulfate (SLES) reduces the skin's moisture loss by 61% vs. formulating with SLES alone, and by 46% vs. standard active betaines in formulation.



Secondary Surfactant: Concentrated, highly active cocoamido propyl betaine improves performance sustainability profile.

"Evonik Household Care strives to support its customers in their sustainability plans with benefit-driven products," notes Fakhry-Smith. "This commitment is exemplified by the superior performance as well cost savings in logistics, analytical testing and warehousing provided by our new TEGO Betain C-60."

UNILEVER: SEEKING INNOVATIVE CHEMICAL PARTNERS FOR A GREENER WASH

Unilever is pushing ahead with plans to significantly reduce the environmental impact of its detergents business across the world and tells *CW* that as part of its Cleaner Planet Plan it is making progress on a country-by-country basis. Unilever says it will achieve its ambitions by teaming up with innovative chemical companies.

The program is less than two years old but already is making gains, says Keith Rutherford, director/sustainable development for R&D at Unilever. The driver behind the scheme is not impending regulation, or even consumer pressure. "What's good for the customer and environment is good for business," Rutherford says.

From its life-cycle analysis (LCA), the detergents business set out a multi-step strategy to optimize the

efficiency of its own manufacturing operations; the way it sells products, including packaging; and the way the product is used by consumers. "Now that we have the analysis of the business we can make choices about where to innovate," Rutherford says.

The detergents business discovered from the results of the LCAs that there was a big difference in the footprint of the use of its products in developing countries versus developed countries. Typically, consumers in developing countries used hot water, which has a relatively large environmental cost from energy use. Water scarcity was also identified as a key issue, but only in certain regions. The company brought in external advisors to ensure that its findings were robust.

Waste was one of the most important areas of the LCA as it brings into play recycling and recovery as

well as where the final product will be disposed of. "The aim was to minimize the amount of material going to landfill—predominantly this is packaging, but also residues—for example what is left in the bottle," Rutherford says. Typical gains are for a 30%-50% reduction in green house gas (GHG) emissions and waste for each product.

Unilever has been steadily increasing the concentrations of its laundry detergents. This has had the effect of reducing the impact along the product's lifecycle with savings including reduced transportation costs and packaging. This has had the effect of reducing GHG emissions, Rutherford says.

The company is also responding to the issue of water scarcity—a potential constraint for the use of its detergents. To enable the use of its products in water-scarce areas Unilever has introduced detergents that save a whole rinse of water. Unilever's Comfort range in Vietnam is such an example and annually could save up to 125 billion liters of water. "It's better for the business, better for the environment and an optimal product for the consumer," Rutherford adds.

The aspiration for Unilever to be greener means that there will be a "huge number of opportunities for a lot of in-depth relationships" with chemical companies in areas including innovative surfactants and enzymes. Unilever is seeking "real partnerships—not just standard alliances or purchases," he says. "A lot of our suppliers have the same ambitions as well. It's all about materials that they can give us either that have better efficiency in concentrated environments, or materials that do more than one thing—such as one material that can replace two materials." The company is changing the palette of its materials, Rutherford says. "It is likely that we will see a shift in balance of our workhorse materials to specialist materials—the amount of expenditure in these areas will shift. Certainly instead of using workhorse surfactants Unilever would use an enzyme or a specialist surfactant. Where we once used a petrochemical-based substance to remove oil [from a textile] we might now use a lipase. We could see a shift of formulations in the next decade."

The changes are likely to be good for chemical companies that are able to provide innovative materials. "I don't think any [chemical firms] should feel threatened," Rutherford says. "There are huge opportunities for innovations coming through. For example, can the introduction of a third material make the first and second ingredients work more effectively?"

REPORT: PERSONAL CARE GROWTH SLOWS IN U.S.

The U.S. market for personal care ingredients is expected to grow at a compound annual growth rate (CAGR) of 2.2% through 2014, driven by stable consumption of personal care products and increased consumer awareness of products with skin protection benefits such as anti-aging and sun care, according to a recent study by market research group says Kline & Company (Little Falls, NJ). The market has posted 3% growth since 2005, it says.

Kline estimates the total market in the U.S. was 355 million lbs in 2009, the second largest market behind Europe. Conditioning polymers are the largest segment by volume, making up 32%, or 114 lbs, followed by surfactants at 23%, or 82 million lbs.

Consumer trends drove 8% growth in natural personal care products in 2009. "Although there is still perceived issue with performance of natural ingredients prohibiting their usage in many formulations, the opportunities for growth surpass those more traditional ingre-

dients, creating a forum for innovation," says Anna Ibbotson, industry manager/Chemicals & Material practice at Kline. Demand for plant-derived alkyl polyglucosides (APG) exceeded the growth of traditional surfactants by over 2% in 2009.

The personal care ingredient market has consolidated significantly in recent years. In June 2010, BASF announced plans to acquire Cognis which would enable BASF to become the leading player in the personal care market globally, Kline says. "The acquisition is an ideal fit for BASF as Cognis is strong in emollients, emulsifiers, and surfactants markets where BASF has had limited exposure," it says.

Other M&A activity includes Dow Chemical's recent purchase of Rohm and Haas; BASF's April 2009 acquisition of Ciba; Rhodia's early 2009 deal to acquire McIntyre Group; and Galaxy Surfactants' (Mumbai) 2009 purchase of a majority stake in New Jersey-based distributor Tri-K Industries, formerly Kemira Specialty.

It's Much Easier to Go Green



Green consciousness is no longer just a fad that's limited to a small handful of specialty manufacturing firms. It is now a mandate—with more and more retailers, governments and public institutions demanding environmentally-friendly products that can meet stringent standards.

The Design for the Environment (DfE) program, run by the US Environmental Protection Agency was established to ensure that the safest ingredients for the environment and families are used in formulations. No company has risen to meet these needs like Croda. Croda offers many DfE approved surfactants and ingredients, with more being approved even as you read this.

Look to us first for a wider range of options and the ability to create the next generation of hard working household products, with a respect and responsibility for our environment.

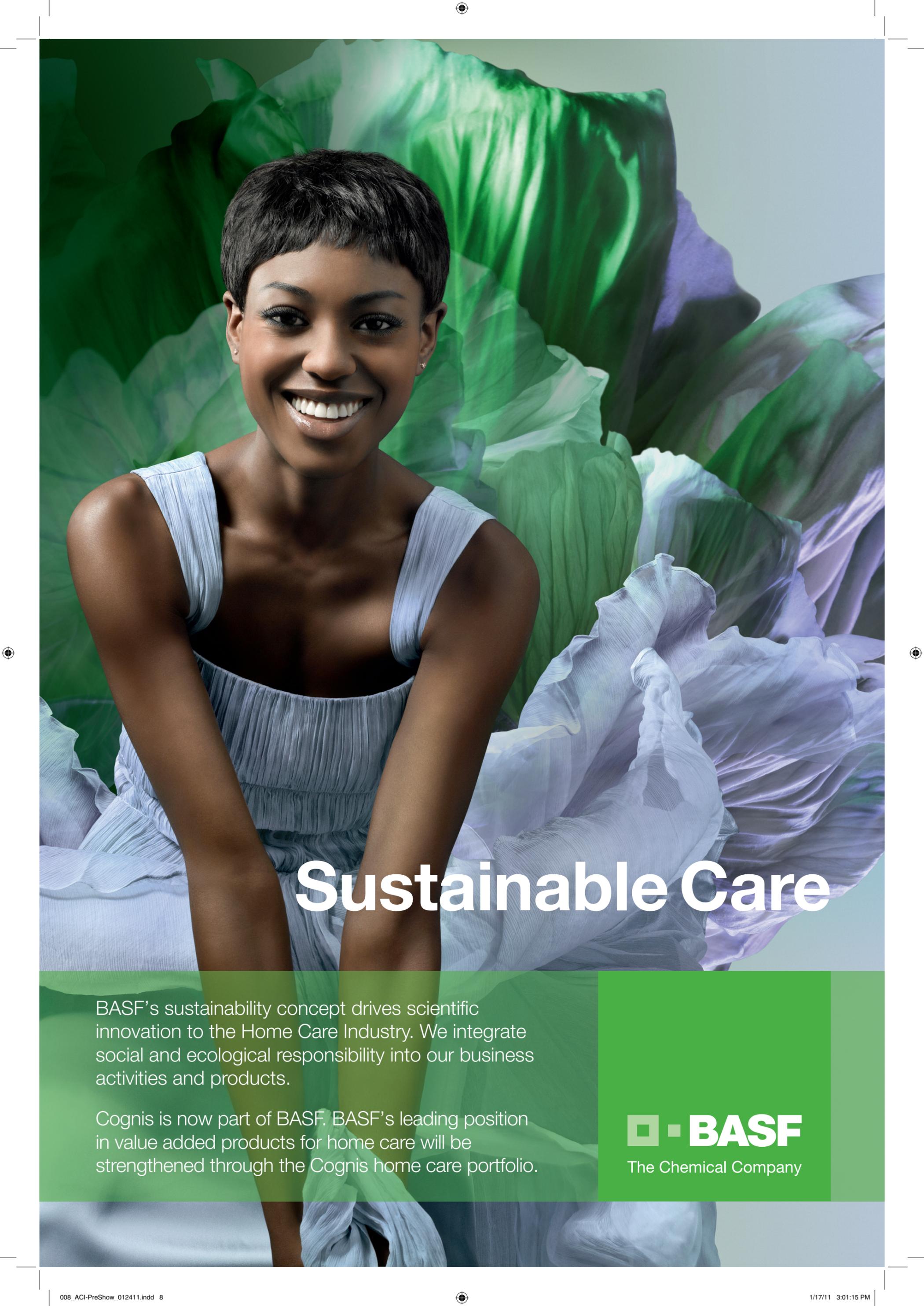
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- NATSURF 265
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- SYNPERONIC NCA 850
- SYNPERONIC PE/L61
- SYNPERONIC PE/L62
- TWEEN™ 20
- TWEEN 40

CRODA



Sustainable Care

BASF's sustainability concept drives scientific innovation to the Home Care Industry. We integrate social and ecological responsibility into our business activities and products.

Cognis is now part of BASF. BASF's leading position in value added products for home care will be strengthened through the Cognis home care portfolio.

 **BASF**

The Chemical Company